



Sustainability Report Fiscal Year 2026

DOMSJÖ FABRIKER





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A message from our CEO

Domsjö Fabriker is a biorefinery that produces several products replacing fossil oil-based alternatives, thereby supporting the transition to a bioeconomy. Our main products are speciality cellulose, lignin and bioethanol. These products are produced from renewable and certified raw materials, primarily sourced from the nearby area. We're striving to make the most out of every tree.

In Fiscal Year 2025–2026 (FY26), market conditions changed quite dramatically driven by Russia's war against Ukraine, Tariffs from USA and strengthening Swedish currency. All this put a stress on our business and the pulp and paper industry as a whole. Still the demand for speciality cellulose has remained quite strong throughout the year and we have continued to strengthen our speciality sales. For lignin the market experienced slower growth. Despite challenges, we continued to focus on our speciality segments and worked to enhance speciality sales. The bioethanol market has been quite weak during the year with weak margins.

Wood supply remained challenging and with strong competition, worsened by Russia's war against Ukraine. The demand from local market has slowed down due to slower market conditions for pulp and paper industry, this has led to marginal price reductions.

We signed an agreement with EcoHelix this year, a company, to produce a sustainable polymer from one of our side streams. We have a company, that produces a few interesting projects in pipeline that I hope we can materialise in the coming years.

During the year we have continued our work with people culture and employer brand at Domsjö Fabriker. We have carried out several of activities together with our employees, our objective is to be the most attractive employer in the north part of Sweden.

BJÖRN VEDIN,
CEO DOMSJÖ FABRIKER



About the report

The Sustainability Report for Domsjö Fabriker AB (referred to from here on as Domsjö Fabriker or the company) for FY26, April 2025 – March 2026 is issued annually and follows the principles of stakeholder inclusiveness, materiality, sustainability context and completeness. This Sustainability Report is prepared as a separate document from the financial statement. No restatements of previously reported information were made during the reporting period.

The boundary and scope of this report includes Domsjö Fabriker, for reasons of coverage within direct control and availability of data. The sustainability report has been reviewed by the auditing firm KPMG AB. For further information regarding the information in this report please contact the HSEQ Department.

The previous Sustainability Report was published in September 2025.



Find out more:

<http://www.domsjo.adityabirla.com>
<http://www.adityabirla.com>



Domsjö Fabriker

Location and local structure

Domsjö Fabriker is owned by an Indian conglomerate, Aditya Birla Group, and is located in the town of Örnsköldsvik. More specifically, both the production site and headquarters are based in Domsjö. The mill is situated at the High Coast Innovation Park, a center for world-leading development and innovation within bioeconomy and digitalization.

Domsjö Fabriker has only one supplier of wood raw material, Domsjö Fiber AB, which is jointly owned by Domsjö Fabriker and Övik Energi AB. Domse Latvija is Domsjö Fabriker's subsidiary in Latvia and procures wood, primarily from the Latvian market.

Sustainable businesses and products

According to Aditya Birla Group, a sustainable business is one that can live within the constraints of a two-degree sustainable world. A business that can reduce its impact on the externalities, as required by the shrinking legal space within which it must operate, as well as one that can adapt to external factors that are driven by global megatrends which will inevitably affect it.

Businesses operate according to management systems. Today, these management systems are often designed to meet limits set by local laws. However, these limits are not sufficiently restrictive to control our cumulative impact, such that we remain within the planet's safe operating limits.

In areas such as the production of greenhouse gases, notably carbon dioxide (CO₂), biodiversity management, nitrogen use, water management, land use, safety and health management, businesses will have to introduce greater levels of management control over time. By doing so, they will increase and standardise performance in these areas. In many cases, reduction will not

suffice, and a complete transformation to new technologies or new methods will be required. This is especially true of the energy matrix, where reduction in the use of energy can only go so far towards reducing CO₂, before new fossil-free sources of energy must be introduced to our energy mix.

As a biorefinery, Domsjö Fabriker works in this direction through a wide range of products, all based on renewable and traceable raw materials. There is a motivation to find new and innovative products as well as new markets. Our products can be used to replace fossil-based products in the textile and chemical industries and thereby contribute to strengthening the bioeconomy and reducing the environmental impact of our own operations and products and those of our customers.

Governance structure

Domsjö Fabriker has been a part of the Aditya Birla Group (ABG) since 2011. ABG is an expanding Indian conglomerate with roots in the Indian textile industry. With over seven decades of responsible business practices, ABG have grown into global powerhouses in a wide range of sectors – from metals to cement, fashion to financial services and textiles to trading. Aditya Birla Group is anchored by a strong force of over 27.500 employees in more than 41 different countries across 6 continents.

ABG has multiple businesses in the Fabric, Yarn, and Cellulosic Fibres sectors. Grasim Industries Limited (Grasim), a flagship company of the ABG and has a key stake in Domsjö Fabriker. Grasim is a leading global producer of Cellulosic Fibres, among other, in India. Grasim's subsidiary, Birla Cellulose, the pulp and fiber business of ABG, incorporates Domsjö Fabriker and is a leading sustainability focused Man Made Cellulosic Fibres (MMCF) producer.





Domsjö Fabriker is one of four cellulose plants in the group. Two are situated in Canada and one in India. ABG has development laboratories and pilot equipment which enable the simulation of all industrial processes, from forest to fashion.

Viscose Staple Fibre, produced from cellulose, is not only used for different kinds of clothing it is also used in home textiles, dress materials, knit wears and non-woven applications, such as personal hygiene and medical purposes. Some of the leading brands of Birla Cellulose are Liva, Liva Eco, Liva Reviva, Birla Viscose, Birla Modal, Birla Excel, and Liva Navyasa. Liva, a cloth made from viscose fibre using a process controlled by ABG is also marketed in co-operation with several brands of textile manufacturers.

Board of Directors

The board of Domsjö Fabriker AB consists of:

- Shailendra Kumar Jain, born 1943, Chair of the Board
- Vadiraj Kulkarni, born 1974, Business Head Cellulosic Fibers at Grasim Industries Limited, Board member
- Giancarlo Maroto, born 1973, Chief Operation Officer, Pulp Operations, Board member
- John Stephen Ellis Davidson, born 1968, Board member
- Björn Vedin, born 1967, CEO Domsjö Fabriker AB
- Hans Grundberg, born 1971, Trade union representative, PTK
- Micaela Lundberg, born 1989, Trade union representative, LO

Governance, Responsibilities and Remuneration

The Board of Directors consists of seven members, five of whom are elected by the Annual General Meeting and two of whom are employee representatives. The nomination and election of Board members are carried out through a structured and transparent process. The selection process considers relevant expertise, experience, independence and principles of diversity. Consideration is also given to the organisation's material economic, environmental and social impacts, including the results of the materiality assessment.

The Chair of the Board is not part of the executive management. The roles of Chair of the Board and Chief Executive Officer are held by separate individuals.

The Board has overall responsibility for overseeing how the organisation's impacts on the economy, the environment and people are identified, managed and monitored. This is carried out through regular follow up of sustainability related risks, objectives and measures. Operational responsibility for implementing approved activities and measures is delegated to the executive management, which reports regularly to the Board. The Board evaluates the information received and, where necessary, makes strategic decisions.

The Board reviews and approves the organisation's sustainability reporting prior to publication.

The organisation applies established policies and conflict of interest guidelines to identify, prevent and manage conflicts of interest within the Board and executive management. Critical matters, such as material risks, incidents and deviations, are reported to the Board through regular reporting routines or, where necessary, through specific reporting.

The collective competence of the Board is ensured through a balanced composition of experience, knowledge and perspectives relevant to the organisation's operations and impacts. The Board's work is currently not subject to a formal evaluation process.

No remuneration is paid to members of the Board of Directors. Consequently, the organisation does not have a remuneration policy or a formal process for determining Board remuneration.





FIGURE 1: OUR HOUSE OF CULTURE

Domsjö Fabriker is committed to Aditya Birla Group’s corporate values, principles and policies. The values stand at the core of the Group and are implemented in Domsjö Fabriker according to the Swedish model, taking government laws and institutions into account.

Our values

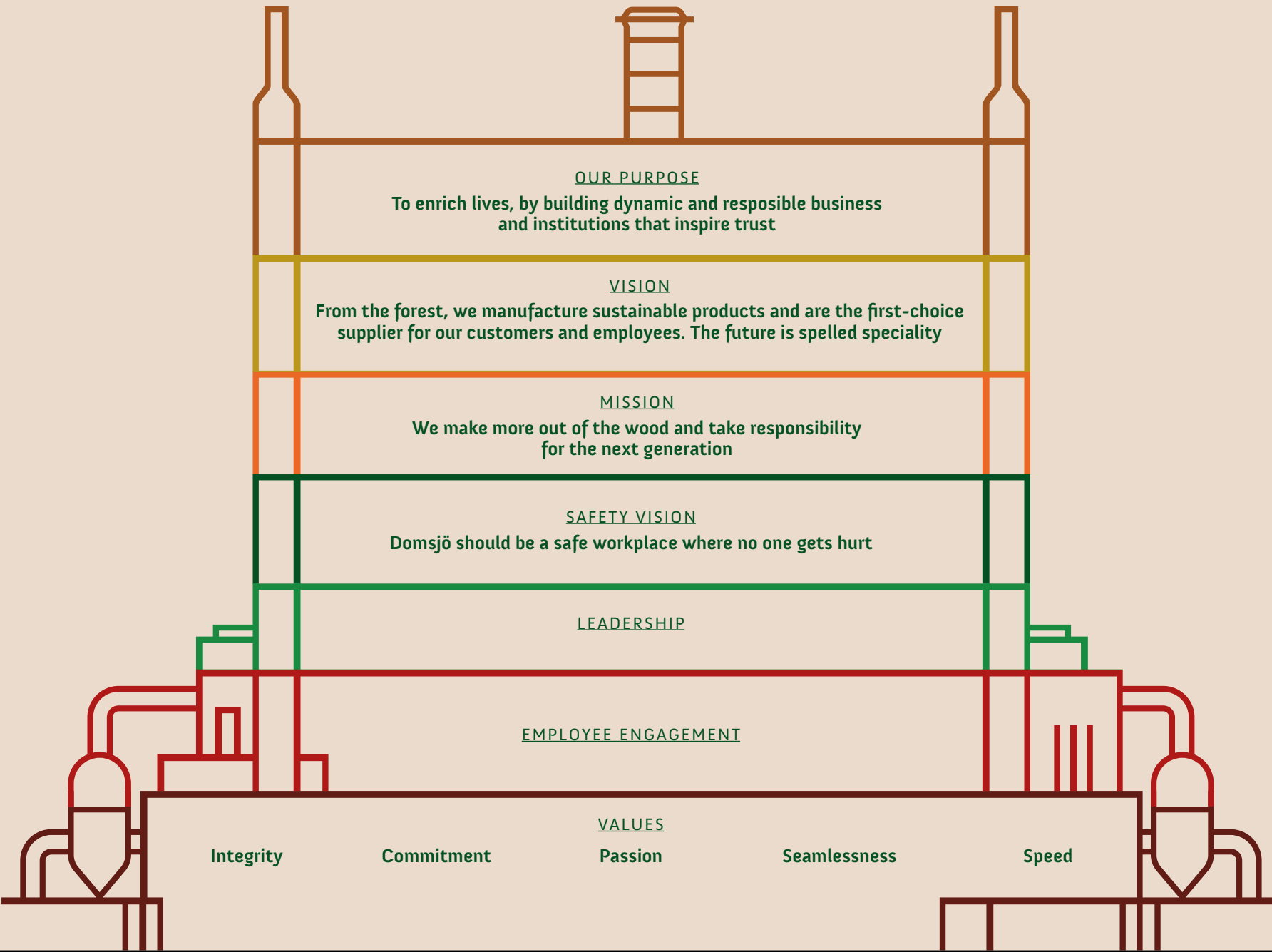
INTEGRITY: Acting and making decisions in a fair and honest manner, upholding the highest standards of professionalism, and being recognized for doing so. For us, integrity encompasses not only financial and intellectual integrity but also all other commonly understood forms.

COMMITMENT: Building on the foundation of integrity, we do everything necessary to deliver value to all stakeholders. This includes being accountable for our actions and decisions, as well as those of our team and the organisation for which we are responsible.

PASSION: Fuelled by an energetic, intuitive zeal that stems from emotional engagement with the organisation, making work a source of joy and inspiring every individual to give their best. We pursue goals and objectives voluntarily, spontaneously, and relentlessly with the highest level of energy and enthusiasm.

SEAMLESSNESS: Collaborating and working together across functional groups, hierarchies, businesses, and geographies. We leverage diverse competencies and perspectives to harness the benefits of synergy while promoting organisational unity through sharing and collaborative efforts.

SPEED: Responding to both internal and external customers with a sense of urgency. We continually strive to complete tasks ahead of deadlines and choose the most effective rhythm to optimise organisational efficiencies.





SUSTAINABILITY GOVERNANCE STRUCTURE AND COMPOSITION

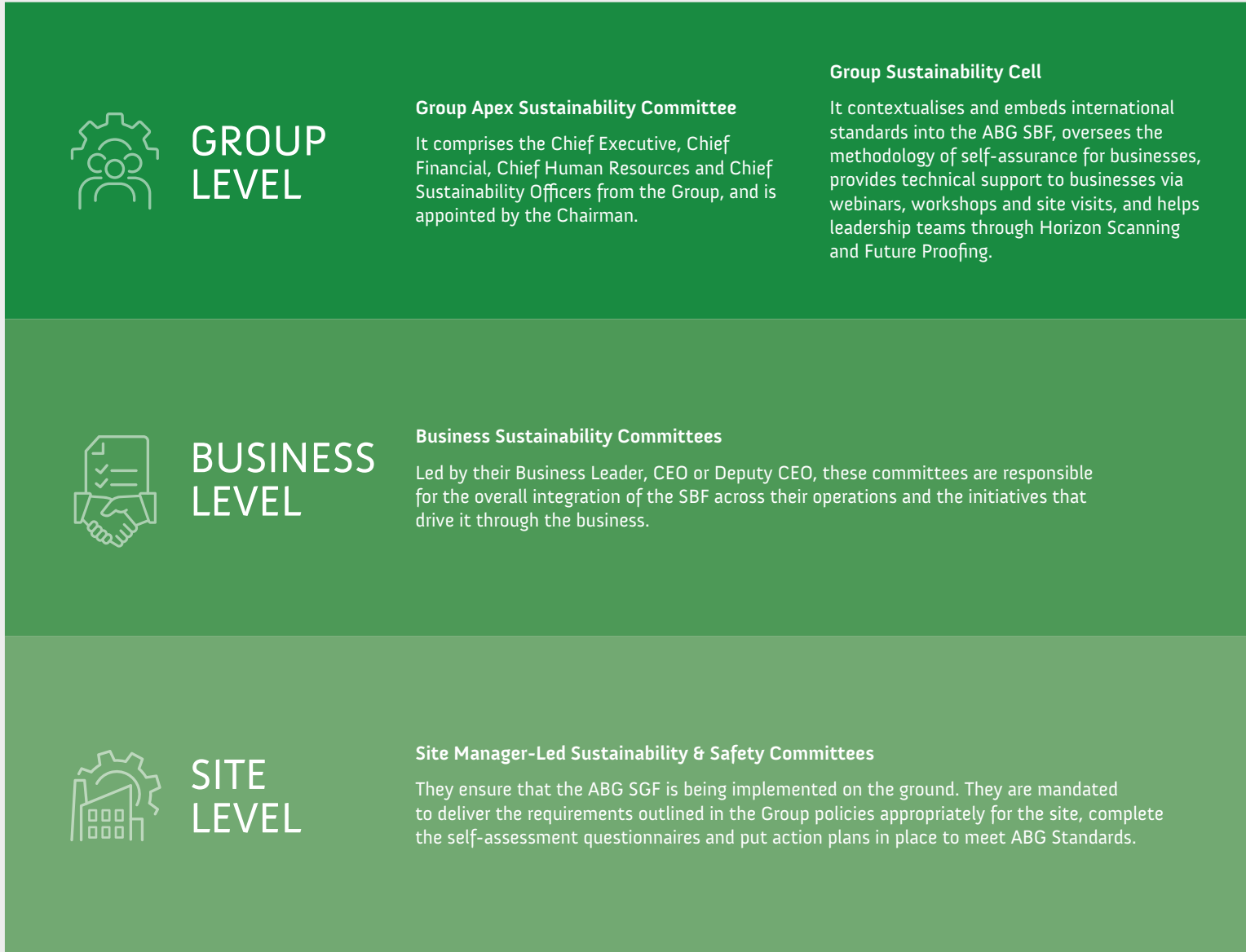
The sustainability governance structure has been developed at Aditya Birla Group level and cascades down to the different businesses and sites. The governance structure for the implementation of sustainability consists of three levels, supporting the management systems and processes that provide the foundation for change at group, business and site level, *see figure 2*.

The Group Apex Sustainability Committee provides strategic advice and guidance on the implementation of the sustainability framework. The Group Sustainability Cell provides technical support to the businesses and supports leadership teams. Business Sustainability Committees are responsible for integrating sustainability across their operations.

To ensure effective implementation at site level, Site Manager–led Sustainability and Safety Committees are established at each site.



FIGURE 2: SUSTAINABILITY GOVERNANCE STRUCTURE





Policies Guiding Our Sustainability Work

Domsjö Fabriker’s sustainability work is guided by a combination of local policies and the policies established at Aditya Birla Group level. The Aditya Birla Group’s policies establish the common principles and standards that apply across all operations, while local policies and routines ensure that these principles are implemented in line with applicable legislation, operational conditions, and local requirements. An Overview of the policies that guide our work within each sustainability area is presented in *table 1*.

Policies and other documents are reviewed and updated at defined intervals in accordance with the company’s internal document, management plan, to ensure relevance, accuracy and compliance.

The policies define and regulate key aspects of our operations, covering areas such as people management, ethical conduct, the responsible use of company resources, and the protection of customer data. Well-designed and clearly communicated policies are essential for ensuring a responsible and well-functioning organisation.

These policies serve several essential purposes:

DIRECTION AND CLARITY

Policies provide guidance and set clear expectations for employees, helping ensure that behaviour and work practices are consistent across the organisation. This reduces the risk of misunderstandings and contributes to greater operational efficiency.

RISK MANAGEMENT

By establishing formal policies, internal and external risks is identify, are identified, prevented, and manage more effectively. This reduces the likelihood of incidents, operational disruptions, and other undesired events.

REGULATORY COMPLIANCE

Policies support compliance with applicable laws, regulations, and industry standards.

STRENGTHENED CORPORATE CULTURE

A culture built on clear and consistent policies promotes trust, professionalism, and collaboration. Policies help reinforce shared values and support a responsible and inclusive work environment.

IN SUMMARY, policies play a vital role in structuring and guiding our operations. They are a central component of our governance framework and support the maintenance of high standards of integrity, accountability, and operational excellence. We apply the policy through established routines that define responsibilities and guide documentation practices.

TABLE 1: KEY POLICIES BY SUSTAINABILITY AREA

CATEGORY	POLICIES
Ethics & Governance	• Code of Conduct • Anti-Corruption Policy • Whistleblower Policy • Procurement policy • Business Policy
Occupational Health, Safety & Social Responsibility	• Safety Policy • Offensive treatment, Harassment and Discrimination Policy • Employment Policy • Health Policy
Human Rights	• Human Rights Policy • Equal Treatment Plan
Environment	• Environmental Policy



Mechanisms for seeking advice and raising concerns

Domsjö Fabriker provides established mechanisms for employees to seek advice and raise concerns related to responsible business conduct. These mechanisms apply to all employees and concerns can be raised through the company's whistleblowing mechanism. All reported concerns are handled in accordance with the company's Whistleblower Policy, which defines confidentiality, non-retaliation and procedures for handling reported concerns. Critical concerns identified through whistleblowing or other reporting channels are escalated to the Board of Directors when appropriate.

Certifications and sustainability work at Domsjö Fabriker

Domsjö Fabriker has implemented several internationally recognised management system standards, including ISO 9001 (Quality), ISO 14001 (Environment) and ISO 17025 (Testing and calibration laboratories). The company is also certified according to FSC® (FSC-C124657) and PEFC (PEFC/05-33-253) for chain of custody of wood-based raw materials. In addition, Domsjö Fabriker is certified under the GMP+ standard for lignosulphonate, reflecting its systematic approach to products used within the animal feed market. Since March 2022, the company has also been certified according to the ISCC (International Sustainability & Carbon Certification) standard for bioethanol production.

Internal and external audits are conducted regularly in accordance with ISO 9001, ISO 14001 and other applicable standards.

Domsjö Fabriker operates in accordance with the sustainability vision and framework developed at the Aditya Birla Group (ABG) level, which is cascaded throughout the Group's businesses and production sites. In line with this framework, the working processes of the management team have been updated to broaden the scope of sustainability integration, particularly in relation to environmental performance and climate-related objectives.



1. Making more
from the tree

2. Assessment of
material topics

3. Environmental
responsibilities

4. Sustainability
responsibilities

5. Stakeholder
Engagement



The Aditya Birla Group has established climate targets aimed at achieving net-zero carbon emissions across all businesses by 2050, in line with broader international climate ambitions such as the Paris Agreement. The Aditya Birla Group’s approach includes a focus on decarbonisation, improved energy efficiency, increased use of renewable energy, and the development of sustainable products.

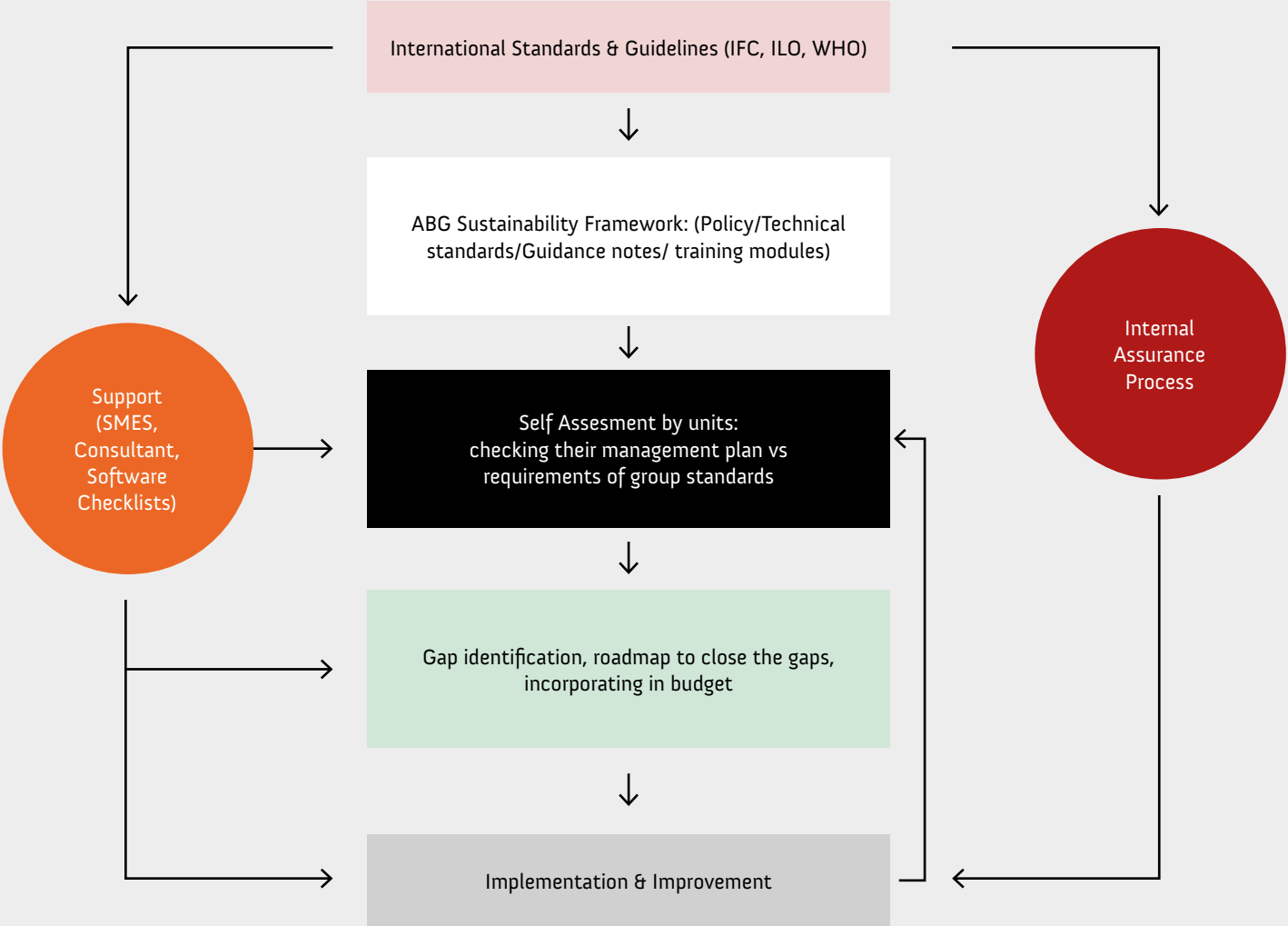
Domsjö Fabriker is included in the Aditya Birla Group’s climate targets. At entity level, the company contributes to these targets through ongoing measures to reduce its environmental footprint. Entity-specific, quantified climate targets and interim milestones have not yet been established at Domsjö Fabriker.

Examples of measures implemented to support this work include improved water efficiency through process optimisation, replacement of an oil-fired boiler with a heat pump resulting in reduced consumption of fuel oil, and actions taken to minimise steam losses.

Domsjö Fabriker also works in alignment with the ABG Sustainable Business Framework and is supported by the Group’s assurance processes, which ensure systematic progress toward sustainability goals. The company conducts regular self-assessments covering Environment, Health & Safety and other ESG-related topics to verify compliance and identify opportunities for improvement. These processes support continuous strengthening of the company’s sustainability performance in line with ABG’s expectations.

To support the implementation and monitoring of sustainability commitments, Domsjö Fabriker applies Self Assurance Questionnaires (SAQs), a digital self-assessment tool combining online and on-site reviews. The SAQs enable business sites to systematically assess conformity with ABG Sustainability Standards and to identify gaps, risks and improvement opportunities across environmental, social and governance areas, *see figure 2*.

FIGURE 2: PROCESS FOR SELF-ASSESSMENT TO COMPLY WITH THE ABG FRAMEWORK.
Source: building sustainable businesses fit for a sustainable world





Data Collection and Calculation Methods

Information for this sustainability report has been collected through established processes across Domsjö Fabriker and consolidates information from multiple internal systems and functions. No significant methodological changes have been made compared with the previous reporting period

Employee data is collected through Domsjö Fabriker's central HR system and reflects the average number of employees during the reporting period, defined for the sustainability report. Occupational health and safety statistics are recorded in the IA system (AFA Insurance's incident and work environment reporting system) for Swedish operations and subsequently consolidated. The finance function compiles data related to economic responsibilities in accordance with the reporting boundary.

Health and safety reporting covers Domsjö Fabriker's own employees. Contractors' health and safety are managed by their respective employers.

Domsjö Fabriker reports LTIFR (Lost Time Incidents Frequency Rate), defined as the accident frequency rate represents the number of occupational accidents per 1,000,000 hours worked and is calculated based on a rolling 12 month period. This standardised metric enables comparability over time and across operations. Absences resulting from occupational illnesses are not included in lost time for work related injuries.

Effluents to water, emissions to air, energy use and material consumption were assessed as part of Domsjö Fabriker's materiality assessment. Although these topics were not identified as among the five most material topics, relevant environmental data is collected through established monitoring systems and reported to ensure transparency and insight into the company's environmental performance.

Water withdrawal and use are measured through flow meters at relevant intake points. Surface water abstraction from the river Moälven and municipal water supplies are recorded continuously and compiled on an annual basis. Total water use represents the aggregated volume withdrawn, data is compiled annually on a fiscal year basis (FY), based on measurements, calculations and regulatory reporting.

Air emissions are monitored through continuous measurement systems and primarily comprise sulphur dioxide (SO₂), nitrogen oxides (NO₂), particulate matter. Fossil and renewable CO₂ emissions to air, are also reported. Data is compiled annually on a fiscal year basis (FY), based on measurements, calculations and regulatory reporting.

Energy consumption data is collected from internal metering systems and supplier invoices. Fuel consumption is reported by energy source and includes both purchased fuels and internally produced fuels. Energy values are calculated in gigawatt hours (GWh) using standard conversion factors. Steam production and purchased energy are recorded and aggregated on fiscal year basis. Energy consumption is monitored regularly as part of operational follow up.

Material consumption data is collected through procurement and production records. Quantities of raw materials and chemicals are reported based on actual use during the reporting year.

Not all material sustainability topics are covered by a GRI Standard. Domsjö Fabriker has therefore chosen to disclose a number of company specific material sustainability topics together with the corresponding disclosures.



1. Making more from the tree

Supply chain

We all have a responsibility for the planet's resources and how they are used. As an important member of society, Domsjö Fabriker wants to contribute not only through our products, but also by providing a safe and healthy workplace. Our sustainability work is a natural part of our business and a significant competitive advantage.

Based on traceable forestry, our products meet all the requirements to contribute to the transition to a sustainable, bio-based society in which fossil raw materials and energy sources are replaced by renewable alternatives.

Together with its stakeholders, Domsjö Fabriker wants to make a difference. The ambition is to improve existing operations and create new application fields for the growing forest, thus contributing to reduced environmental impact, increased growth and more job opportunities. Basically, all products made from fossil-based material can be produced using wood-based material. The processes used by Domsjö Fabriker are able to refine renewable forest raw materials into valuable products while also reducing the negative impact that fossil oil has on the environment and climate.

Domsjö Fabriker has over the years transformed and developed into a biorefinery that produces multiple products using the various components of wood, cellulose, hemicellulose and lignin.

What is a biorefinery?

EuropaBio – the European Association for BioIndustries, defines biorefineries as follows: "Biorefineries exploit all of the elements of biomass, recycling secondary products and wastes of the reaction into valuable products, even producing the very energy which powers the process itself. In this respect, the concept is analogous to a petroleum refinery, where oil is refined into many marketable products including chemicals, energy, and fuels. However, there is a crucial difference: biorefineries are based on the use of renewable materials as a feedstock whereas today's petroleum refineries are based on the use of non-renewable materials such as fossil fuels."

*"Together with the stakeholders,
Domsjö Fabriker want to make a difference"*

Products from Domsjö Fabriker have different end uses, but one factor they have in common is that they all contribute in a positive way to less impact on the environment, both locally and globally. Domsjö Fabriker is at the beginning of a textile value chain that culminates in the production of apparel using natural fibres. The products are made from renewable raw material and the processes are designed to minimise the environmental impact of the products along the value chain. Sustainable forestry and "making more from every tree" are crucial to keep this value chain sustainable.



Domsjö Fabriker engages with the value chain through innovation, knowledge sharing, responsible sourcing and the use of unique processes to produce environmentally sound products from renewable raw material. Customers are supported by providing technical support on how to use the products and by understanding customers’ needs, now and in the future.

The Aditya Birla Group has a supply chain and procurement policy that stress the importance of using alternative materials and renewable energy, water stewardship, safety, health, respect for human rights and elimination of child labour and forced labour across the value chain. Domsjö Fabriker is also committed to this policy. The company uses bio-based raw materials to produce its products and thermal energy. There is no lack of water where Domsjö Fabriker is located, and the quality of the water is good.

Human rights and anti-corruption

Domsjö Fabriker follows a Code of Conduct and anti-corruption policy which it also extends to its supply chain. The Code of Conduct applies both to internal employees and business partners that have dealings with Domsjö Fabriker, and its purpose is to protect the business and inform stakeholders about the company’s expectations. It contains principles, values and rules of behaviour that should guide the organisation and its stakeholders in a desired ethical and moral direction.

Domsjö Fabriker has adapted Sida’s definition of corruption as “abuse of trust, power or position for improper gain”. The anti-corruption policy is intended to promote sustainable and responsible relationships with our stakeholders.

The operations of Domsjö Fabriker not only affect its direct employees but also a large number of local contractors that work more or less on a daily basis at the mill. It is important to build this long-term relationship with local companies and expertise in order to develop the business. Domsjö Fabriker also cooperates with similar companies within the area by sharing resources to maximise efficiency and sustainability.

The main market for the supply of raw materials is western Europe, with some exceptions, see Table 2.

“Domsjö Fabriker uses biobased raw materials to produce its products and heat energy.”



TABLE 2: SUPPLY CHAIN DATA

RAW MATERIAL PROCURED	COUNTRIES OF ORIGIN	TYPE OF SUPPLIERS
Wood	Sweden, countries in northern Europe	Forest owners and Forest owners’ associations through Domsjö Fiber AB
Sulphur	Sweden	Trader
Chemicals (caustic, lime, etc.)	The Netherlands, Finland, Sweden	Producer
Packaging material	Sweden, Czechia, Slovakia, Germany, Asia	Producer
Fuels (diesel, fuel oil etc.)	Sweden	Producer



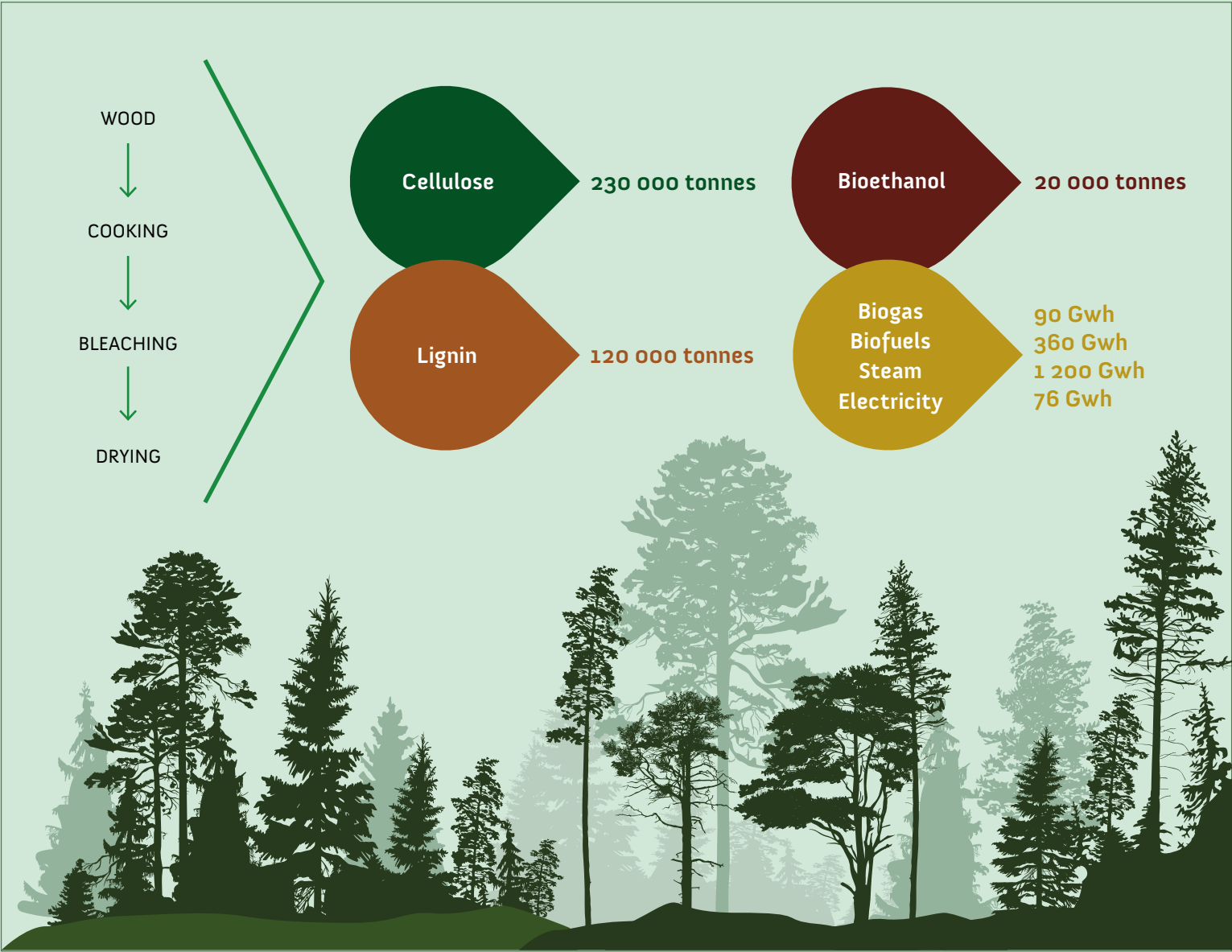
Forest and wood raw material

The main raw material used in the process is wood originating from forests. The forest and its products are part of the solution to the climate and environmental issues of our time, as more and more people see the opportunities of a bioeconomy, instead of an economy largely based on fossil raw materials. Through the transition to a resource-efficient economy based on renewable raw materials produced through sustainable forestry our collective carbon footprint is reduced. Forest industry products are refined in many different areas and often replace materials and products made from fossil raw materials. In addition to a high degree of refining, important jobs are also created, not only in the forest industries but also in the supply chain.

There is a clear picture of the conditions necessary for development of a sustainable bioeconomy. The Swedish Forest industry has an important role as the world’s second-largest exporter of forest products, and because of its wealth of expertise and advanced research in this field. Swedish companies are at the very forefront of development in new wood and cellulose-based products, such as bioplastics, biocomposites, carbon fibre materials and textile fibres. Breakthroughs in the development of chemicals and refined fuels are also imminent. *Figure 3* illustrates the way Domsjö Fabriker utilises wood.

A prerequisite for a sustainable bioeconomy is increased access to renewable raw materials. Sweden has a long tradition of well-managed forests that has resulted in large areas of forests that are growing even larger. Swedish forests are developed instead of being exploited, with a level of harvesting that is far below the rate of growth and thus guarantees future access. About 25 % of the forest area is excluded from forestry for nature conservation reasons.

FIGURE 3: WE MAKE MORE FROM THE TREE.





According to Swedish Forest Industries:

- In Sweden alone, forest covers 70 per cent of the surface.
- There are approximately 87 billion trees.
- There is now twice as much wood in Sweden as there was 100 years ago.
- One percent of our forest is felled annually. Nonetheless, growth outpaces felling.
- Each tree that is harvested is replaced with new plants.
- Sweden is one of the world’s largest exporters of forest-based products.
- Approximately 90 % of Swedish pulp, paper and board production is exported.
- The substitution effect and carbon storage from the Swedish forest based sector correspond to nearly twice Sweden’s reported territorial CO₂ emissions.
- Environmental and production targets in forestry are brought in line with each other since the Swedish Forestry Act was updated in 1993.
- The Swedish Forest industry relies on bioenergy and uses only limited amounts of fossil fuels.
- The forest industry employs around 140,000 people in Sweden, including subcontractors.

Domsjö Fabriker consumes approximately 1.3 million cubic meters of wood from spruce and pine (solid under bark) each year. Predominantly from northern Sweden, but also from the middle part of Sweden and imports from the Baltics and other countries in northern Europe. Domsjö Fiber is responsible for the supply of all wood to the biorefinery, which is sourced through contracts with forest companies and associations of forest owners both nationally and internationally. The wood is transported mainly by road but also by sea or rail. The production process results in high-quality, environmentally sound products. All wood supplied is covered by the ABG Wood Fibre Sourcing Policy and is considered as FSC® Controlled Wood or PEFC Controlled Sources as a minimum. The traceability of the wood is audited annually according to Chain of Custody certification for FSC® (FSC-C124657) and PEFC (PEFC/05-33-253).

Sustainable forest management is vital to maintain sustainable forests

and a sustainable value chain, and all incoming wood is therefore sourced in accordance with the ABG Fibre Sourcing Policy and controlled through Chain of Custody audits in line with the requirements of the FSC® and PEFC standards. The wood is traceable and does not originate from any illegal sources. Eighty-four percent of the wood consumed originates from Sweden and mainly from local areas. Forestry methods are non-toxic and do not require agricultural land or irrigation.

The forest and its products are part of the solution to the climate and environmental issues of our time as more and more see the opportunities of a bioeconomy instead of an economy largely based on fossil raw materials. Through the transition to a resource-efficient economy based on renewable raw materials produced through sustainable forestry our collective carbon footprint is reduced. Forest industry products are refined in many different areas and often replace materials and products made from fossil raw materials. In addition to a high degree of refining, important jobs are also created.

Further, the Aditya Birla Pulp and Fibre Business has partnered with Canopy, a not-for-profit environmental organisation working towards forest conservation and sustainability. Canopy works with businesses to help protect the world’s endangered forests by working on developing innovative solutions that make their supply chains more sustainable. One of Canopy’s flagship campaigns is the CanopyStyle initiative through which they partner with various viscose producers, fashion brands and designers to ensure that sustainable forestry practices are at the center of manufacturing of viscose and viscose-based clothing.

Every year, as part of the CanopyStyle initiative, they release their highly anticipated Hot Button Report looked forward to by 950+ global partners, including brands, retailers, and fashion designers. It ranks the world’s largest viscose producers based on their progress and commitment towards eliminating endangered forests from their supply chain. In the Hot Button Report for 2025, Aditya Birla (The Aditya Birla Group, owner of Grasim Industries and Birla Cellulose), secured the top position at Rank #1 with a score of 34.5 buttons, thus being awarded the “Dark Green” shirt for the 6th consecutive year. The report highlights Birla Cellulose’s continuous improvement in Canopy rankings over the years, underscoring their sustainable wood sourcing practices, efforts to address endangered forest fiber in their MMCF supply chain, and advancements in next-generation fibers.

Operations

Environmental work and the production process have been in focus for many years. Environmental measures in both processes and treatment plants have gradually reduced our environmental impact.



We were the first in the world to bleach to the highest brightness without chlorine-containing chemicals. Today, Domsjö Fabriker is alone in the world in having a closed-loop bleaching plant without any emissions to water.

The process at Domsjö Fabriker

Logs come mainly from local areas and are transported by trucks. The logs are debarked, chipped and fed into the digesters together with cooking chemicals. The bark is incinerated and provides energy in the form of steam, electric power and district heating. After cooking, the cellulose is washed and bleached using only hydrogen peroxide. The bleaching plant is the world’s only chlorine-free, closed-loop bleaching plant. After bleaching, the bleached cellulose is dried and shipped. The entire process, from tree to finished cellulose bale, takes about 40 hours. During cooking, hemicellulose and lignin are dissolved. The sugars from the hemicellulose are fermented and distilled to produce bioethanol.

The cellulose process also produces spent liquor containing lignin and chemicals, most of which are used when producing energy and the chemicals are later recovered during cooking liquor preparation and recycled again in the process. The remaining lignin is used when producing lignosulphonate. Most of the lignosulphonate is dried and packed in either small or large bags and sold to external markets. *Figure 4* illustrates the process at Domsjö Fabriker.

FIGURE 4: THE PROCESS AT DOMSJÖ FABRIKER

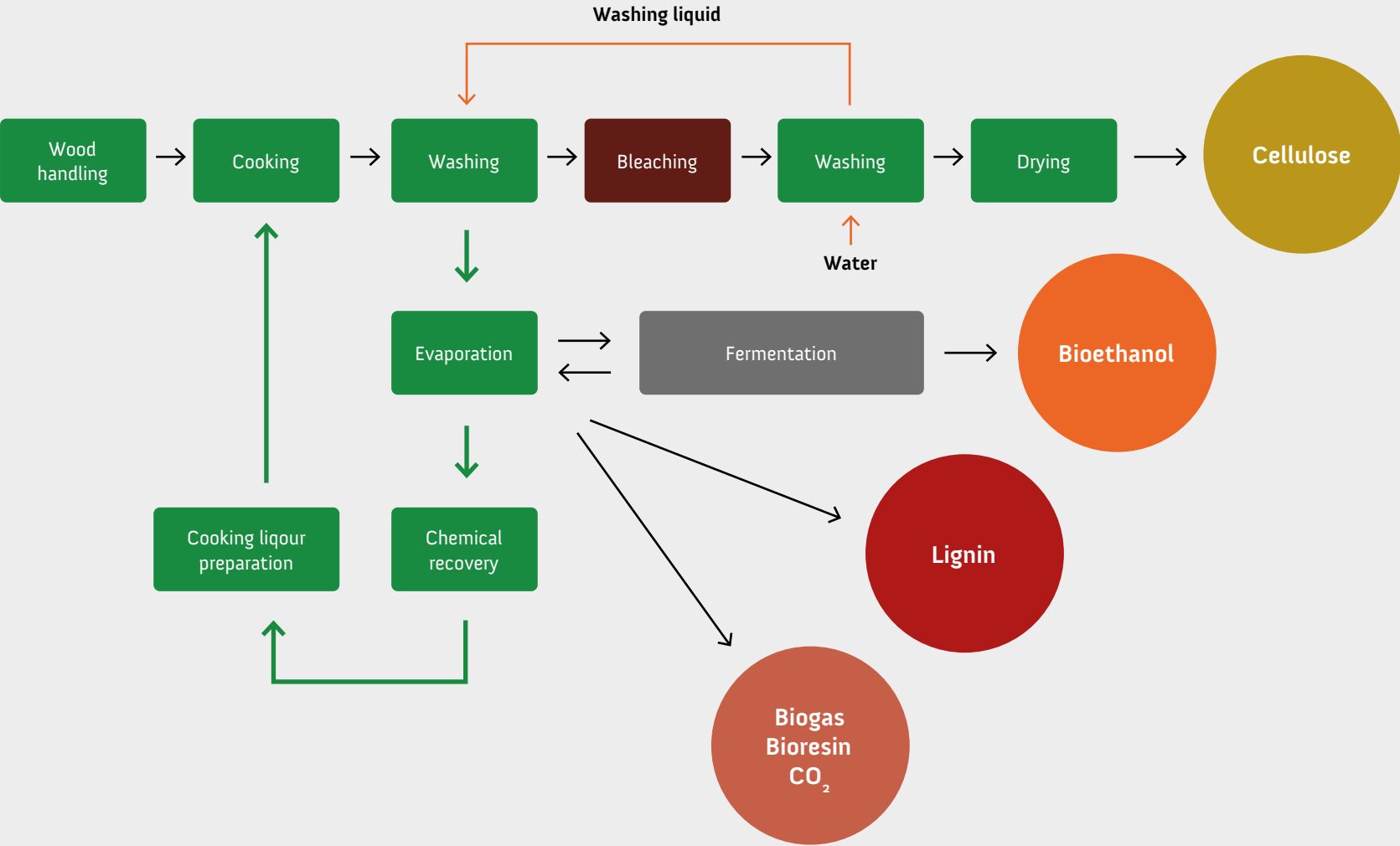




FIGURE 5: DOMSJÖ PRODUCTS.

Products

Speciality cellulose, lignosulphonate and bioethanol are the main products. The use of renewable raw material, the company’s commitment to sustainable sourcing of wood and the unique process minimise the environmental footprint of products.



Speciality cellulose

Domsjö cellulose, based on softwood, has proven its excellence over many years in very demanding applications such as the production of acetate, technical cord, pharmaceutical tablets, sausage casings, viscose filaments and viscose staple fibre. The main markets are Europe, Indonesia, India and China. The cellulose from the unique process is specially formulated to meet customers’ requirements. Domsjö Cellulose is bleached in a unique, totally chlorine-free and closed-loop bleaching plant, resulting in high-brightness cellulose.

End-use products based on Domsjö cellulose can in many cases replace oil-based alternatives where the main end use, viscose, is a sustainable alternative to cotton and polyester in textiles. The large amounts of water and pesticides used in making cotton mean it has a high environmental impact, while polyester is derived from oil. Domsjö Fabriker has a long-term commitment to providing superior cellulose that combines high quality, in-depth expertise and reliability.

The production of speciality cellulose during FY26 was 194,467 tonnes.



Lignin

The unique process results in a modified lignin, i.e., lignosulphonate. It is used as a dispersant agent or as a binder in various applications such as agrochemicals, animal feed and in oil and gas drilling. The most common application area is admixtures for concrete. The lignin improves the concrete's flow properties and thus reduces the need for cement in concrete structures while retaining strength characteristics. Adding lignin to concrete benefits the environment because cement production emits large amounts of carbon dioxide. Estimates show that adding one kilogram of lignin to concrete reduces the carbon dioxide emissions from cement production by 20 kilograms.

The annual lignin capacity at Domsjö Fabriker is 120,000 tonnes, which, if all used in concrete, would reduce the need for cement equivalent to 2.4 million tonnes less carbon dioxide emission from the cement industry. The lignin from our process is dried using biogas from the biological treatment process and shipped to customers in over 60 countries around the world. The production of dried lignin for FY26 was 81,738 tonnes. The lignin is packed either in small or big bags depending on the market and customer requirements.

Bioethanol

The unique cooking process releases hemicellulose as sugar, which is fermented in the ethanol plant. In the fermentation process bioethanol is produced. The bioethanol is mainly used as car fuel, blended into petrol. About 10 percent is used as raw material for producing green chemicals. Ethanol is a good solvent and has many other applications, such as water-based paints, pharmaceuticals, perfumes, cleaning products, paints and inks. Ethanol is also used as a coolant in heat pumps and in screen washer fluid.

Ethanol is an interesting raw material for the chemical industry, as it replaces oil as the feedstock for various kinds of plastic and chemicals. In the chemical industry's shift towards more renewable raw materials, ethanol from forest biomass can play an important role. The bioethanol is delivered to a customer on site producing green chemicals. The production of bioethanol during FY26 was 14,355 tonnes (100%).



By-products

Domsjö Fabriker also produces by-products. Bark from wood handling and bioresin and other reject materials from the cellulose process are sold as biofuel. Carbon dioxide is generated in the bioethanol production process and is utilised in the production of carbonic acid. The biological treatment plant produces biosludge that can be used in soil-improving material. There is also a fraction from the pulp production process that is being tested for use as an insulation material.



"Domsjö Fabriker has a long-term commitment to providing superior cellulose that combines high quality, in-depth expertise and reliability."



2. Assessment of material topics

Environmental Management and Precautionary Approach

During production, precautionary measures are systematically applied to minimise environmental impact and resource use. This forms an integral part of the ISO 14001 environmental management system, supporting continuous improvement and a life cycle perspective across operations and activities.

Domsjö Fabriker maintains a structured system for the collection, management and closure of deviations related to environmental performance as well as occupational health and safety. All types of non conformities — not limited to accidents or incidents—are recorded and analysed, and corrective and preventive actions are implemented. Where appropriate, this also includes dialogue with relevant stakeholders and authorities.

Risk assessments and audit findings are documented within the same system to ensure consistent follow up and centralised documentation. Stakeholders are able to raise complaints and concerns, and feedback from these interactions is used to continuously improve remediation processes.

The effectiveness of these processes is monitored through internal follow up, management reviews and recurring analyses of deviations and complaints, ensuring continuous improvement.

Materiality Assessment – Significance and Purpose

A materiality assessment is a key component of Domsjö Fabriker's sustainability reporting. It enables the organisation to identify sustainability topics with the greatest actual or potential impact on people and the environment.

The assessment ensures that reporting is focused on areas where the company causes, contributes to, or is directly linked to significant impacts across the value chain. This approach strengthens the relevance, transparency and decision usefulness of our sustainability disclosures for both internal and external stakeholders.

Building strong relationships with stakeholders and subject matter experts is essential to understanding emerging trends that may influence the business. Conducting materiality assessments as part of this engagement makes it possible to identify strengths, weaknesses, priority risks and opportunities. This enables Domsjö Fabriker to allocate resources and monitoring efforts to the sustainability issues most relevant to both the organisation and its stakeholders.

Process for materiality assessment

A materiality assessment has been carried out in recent years and is updated on a yearly basis together with representatives from each department, including environment, health and safety, process and operations, supply chain, finance, and human resources.

To identify Domsjö Fabriker's most material sustainability issues, a materiality analysis is carried out to determine the most significant impacts on the economy, the environment, and people, including human rights. This analysis forms the basis for the direction of the sustainability work and the content of the sustainability report.



The input comes from stakeholder assessments, environmental topics and from earlier materiality assessments. Additional issues identified by the participants are collated and ranked based on the risk assessment according to stakeholder requirements and expectations. *Figure 6* illustrates the results of the materiality assessment and lists all of the material sustainability topics that has been identified.

Summary of Materiality Topics

Based on the materiality assessment, the following five topics were identified as having the highest level of stakeholder expectations and the greatest impact on the company. These priorities remain unchanged compared to FY25: Product quality, Legal conformity, Safe working environment, Production volume and fulfil financial expectations, return on capital.

For the following material topics; production volume, product quality and legal conformity, no single GRI Topic Standard fully captures the scope and nature of the company's impacts. These topics are therefore reported using company specific disclosures.

Environment

LEGAL CONFORMITY #5

Legal compliance is a material topic for Domsjö Fabriker due to its potential environmental, regulatory and operational impacts. Domsjö Fabriker complies with the environmental regulations and permits. In 2025, non compliance were identified, relating to exceedances of permitted limits for noise. These exceedances were managed in accordance with internal procedures and were followed by corrective and preventive actions to reduce the risk of recurrence.

To support ongoing compliance, an internal regulatory monitoring function continuously identifies and assesses new and amended laws and regulations relevant to the pulp and paper industry. When new regulatory requirements are introduced, the function informs the relevant departments and, through structured dialogue, defines necessary actions to ensure compliance. Compliance performance and regulatory developments are reviewed annually as part of the management review process.

Quality (including financial topics)

PRODUCT QUALITY #19, PRODUCTION VOLUME #19A

Production volume and product quality have been identified as a material topic for the organisation, reflecting their importance for long term competitiveness, customer satisfaction, and stable operations. The management of this material topic focuses on ensuring reliable operations, high and consistent product quality, and efficient use of production capacity.

Product Quality

Product quality is one of the mill's key operational focus areas. A strong and consistent focus on quality is essential for meeting customer requirements and ensuring long term business success. Product quality is managed through defined quality parameters, internal controls, and continuous improvement activities. Responsibility for managing this material topic lies with mill management, supported by relevant operational functions.

Production Volume

Production volume reflects the mill's ability to operate efficiently and reliably in line with planned capacity. Production volume is managed through production planning, operational control systems, and regular reviews. Responsibility for managing this material topic lies with mill management, supported by relevant operational functions.

Monitoring and performance outcomes

Product quality and production volume are monitored on a continuous basis and evaluated against established internal targets. Performance outcomes are regularly reviewed by mill management and support operational decision making and continuous improvement processes. During the reporting period, product quality was generally in line with planned targets. Production volumes did not fully reach planned levels, but overall mill operations remained stable.

"Domsjö Fabriker believes that healthy and safe employees are vital for operational efficiency and sustainability."



FULFIL FINANCIAL EXPECTATIONS, RETURN ON CAPITAL #21

Economic performance is a material topic for Domsjö Fabriker, as the ability to generate its own financial resources is essential for long term resilience, continued investments and ongoing improvements. The company's strategy is focused on maintaining strong operational performance and financial stability to ensure sufficient cash flow for reinvestments in safety, environmental performance, asset integrity and efficiency improvements.

Economic performance is managed through long term planning, investment prioritisation and continuous follow up of financial results. This approach supports the company's ability to remain competitive, meet financial expectations and create the conditions necessary for sustainable development over time.

Social

SAFE WORKING ENVIRONMENT #26

Domsjö Fabriker believes that healthy and safe employees are vital for operational efficiency and sustainability. The company wants its employees to feel safe when working in the mill, knowing that all their concerns are listened to and addressed at the highest level within the organisation. Domsjö Fabriker has a system for handling issues relating to health and safety. Accidents are examined through MTOK investigations (human, technical, organisation and cultural causes) to prevent them from happening again.

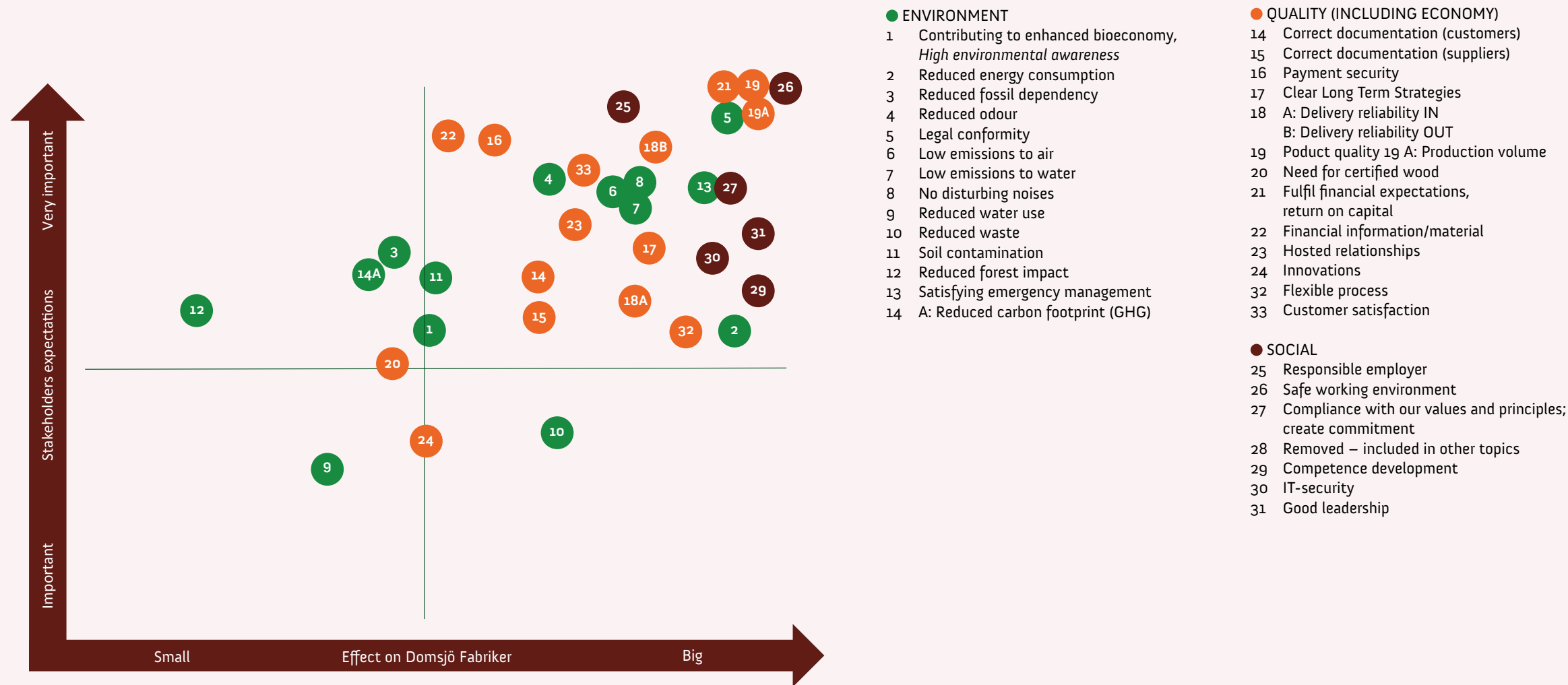
There is a general target of zero accidents and a target of thirteen or more reported incidents (near misses and risk observations) per accident. This target is monitored, and the target number will be raised to twenty for FY27.

The materiality assessment is a tool to help the organisation to understand the most important questions to focus on. The most important material topics are addressed through the management review once a year and corrective action is taken when required.





FIGURE 6: MATERIALITY ASSESSMENT





3. Environmental responsibilities

Environmental impact of Domsjö Fabriker's operations

As a part of its sustainability efforts, Domsjö Fabriker has conducted a systematic assessment of the environmental impacts associated with its operations. Among the significant environmental aspects identified is the impact on water quality, particularly related to discharges of nutrients such as nitrogen and phosphorus. The largest proportion of these nutrients originates from the feeding of micro-bacteria in the biological treatment plant. Considerable effort is ongoing to optimising this concentration.

The recipient outside Domsjö Fabriker has a long industrial history and emissions from that time can still be found in sediments and fibre banks in the bay of Örnsköldsvik and could possibly also affect the quality of the water in general. This is a general situation for many companies in the forest industry that have a long history of operations along the Swedish coast. This is something that is being investigated in a variety of projects initiated by stakeholders that include the Swedish Forest Industries.





In the case of environmental objectives for air, the main factors that affect the environment are emissions of sulphur dioxide, nitrogen oxide, particles and carbon dioxide. Although emissions to the air from Domsjö Fabriker affect the objectives, no environmental quality standards are exceeded. The objective for a good built environment is also affected when it comes to noise and smell. Domsjö Fabriker has set up projects to address these two parameters and the target is to minimise the emissions that cause them.

Regarding the objectives for reduced climate impact, Domsjö Fabriker has a relatively small impact since the use of fossil fuels is almost negligible. Fossil oil is mainly used during shutdowns and start-ups of the recovery boilers. From a life cycle perspective, use of the end products could also contribute to reduced climate impact, since cellulose could replace more resource-intensive cotton production; lignosulphonate could be used to produce concrete; and ethanol could be used as a fuel instead of fossil fuel.

Regarding the objectives that are affected indirectly, the quality of ground-water is mainly affected by historical emissions, while sustainable forests are vital for the long-term operations of Domsjö Fabriker.

The environmental year – the short version

Negotiations for a new environmental permit took place in October 2018. We received a partial ruling on 10 December 2018. That partial decision said that 15 issues needed further investigation and presentation to the Environmental Court on different dates spanning until 2029.

During FY26, a lot of effort has been put into these investigations, but it remains to be seen which environmental improvements that will be decided.





Emissions, effluents and waste

EMISSIONS TO WATER

Domsjö Fabriker monitors effluents and waste to ensure that the environmental requirements are met. Water is a prerequisite for production and only surface water is used. All care is taken to ensure that water is used efficiently and that effluents are monitored. The total water effluent was 24.4 million m³ during FY26. Wastewater is treated in a biological treatment plant and sedimentation basins. The treated water is discharged into the river Moälven and Örensköldsviksfjärden (a narrow coastal inlet connected to the Baltic Sea). The emissions discharged to water are shown in *table 3* to the right.

Investigations are ongoing with regards to the biological treatment plant, partly due to upcoming connection of additional effluents, and partly with the aim of optimizing operation to reduce total emissions with particular focus on nutrient emissions.

TABLE 3: EMISSIONS TO WATER.

PARAMETER	QUANTITY FY23	QUANTITY FY24	QUANTITY FY25	QUANTITY FY26
COD	12,203 tonnes	10,674 tonnes	14,524 tonnes	8,740 tonnes
TSS Suspended solids	587 tonnes	815 tonnes	1,020 tonnes	690 tonnes
Nitrogen	120 tonnes	104 tonnes	115 tonnes	87 tonnes
Phosphorus	13 tonnes	12 tonnes	22 tonnes	14 tonnes



EFFLUENTS TO WATER

Surface water from the river Moälven is the main source of water used in the process. In addition, water is procured from the municipality for drinking, washing and showers. The total water usage during FY26 was 26.9 million cubic metres. The water is reused and recirculated at different stages in the production process. The river Moälven has enough water, and no negative impact has been reported as a result of water withdrawal from the river, see table 4.

EMISSIONS TO AIR

Sulphur dioxide (SO₂), nitrogen oxides (NO_x) and particulate matter are released from the process into the air, mainly from the recovery boilers. The lignin dryers and some other sources cause minor emissions. To decrease emissions to air, flue gas scrubbers and electrostatic precipitators have been in use for many years. An important part of the cleaning processes is that heat is recovered and used in the process. Efforts to optimise the equipment and minimise emissions of sulphur dioxide are ongoing, including using scrubber liquor with a higher pH level. This leads to a decrease in SO₂ emissions. Table 5 shows the emissions to air.

The quantity and content of emissions to air is monitored and there are various ongoing measures to reduce emissions. The total fossil direct greenhouse gas (GHG) emissions from the process during FY26 amounted to 2,406 tCO₂e (tonnes of carbon dioxide equivalent) mainly due to consumption of LDO and fossil content in additive

TABLE 4: WATER SOURCES BY TYPE.

WATER SOURCE	QUANTITY FY23	QUANTITY FY24	QUANTITY FY25	QUANTITY FY26
River	26.1 M m ³	26.1 M m ³	26.6 M m ³	26.9 M m³
Municipality	47.9 K m ³	52.5 K m ³	93.7 K m ³	83.7 K m³
Total	26.1 M m ³	26.1 M m ³	26.7 M m ³	27.0 M m³

TABLE 5: AIR EMISSIONS BY TYPE.

TYPE OF EMISSION	QUANTITY FY23	QUANTITY FY24	QUANTITY FY25	QUANTITY FY26
Particulate matter *	161 tonnes	144 tonnes	234 tonnes	112 tonnes
SO ₂	384 tonnes	635 tonnes	586 tonnes	406 tonnes
NO _x	442 tonnes	557 tonnes	438 tonnes	512 tonnes
CO ₂ (renewable)	418,752 tonnes	413,462 tonnes	468,427 tonnes	504,106 tonnes
CO ₂ (fossil)	2,729 tonnes	4,218 tonnes	2,286 tonnes	2,406 tonnes

* Dust measurements, spot check



chemicals. LDO are only used as fuel for the boilers at start-ups and shutdowns.

GHG emissions can also be reduced through product applications. For example, lignin can be used as an additive in concrete manufacturing and acts as a water reducer while maintaining the strength of concrete structure. This means that CO₂ emissions could be reduced indirectly in the manufacturing of concrete.

SOLID WASTE

The type and amount of waste are monitored to ensure that waste is handled and treated according to conditions set by the authorities. The total amount of handled and disposed waste was 11,579 tonnes in FY26. The categories of waste generated in FY26 are summarised in *table 6* to the right.

Energy

Domsjö Fabriker is a biorefinery, which means that renewable raw materials (biomass) generate many products as well as meeting energy requirements. Steps are continuously taken to make the plant more self-sufficient in energy, by reducing energy consumption and generating energy from renewable sources.

Steam for the plant is generated from renewable black liquor. In our biological treatment plant, bacteria decompose organic materials into bio-gas and other products. Our facility is one of the largest biogas producers in Sweden. This biogas is captured and utilised as an energy source for drying lignosulphonate, as illustrated in *table 7*.

TABLE 6: WASTE GENERATED BY QUANTITY.

TREATMENT/ HANDLING METHOD	QUANTITY FY23	QUANTITY FY24	QUANTITY FY25	QUANTITY FY26
Non hazardous	6,666 tonnes	4,384 tonnes	4,769 tonnes	8,324 tonnes
Landfill	2,779 tonnes	2,507 tonnes	3,299 tonnes	3,126 tonnes
Hazardous	115 tonnes	88 tonnes	47 tonnes	129 tonnes

Bark, fines, nuts and resins are sold to the nearby municipal cogeneration plant for production of steam, electricity and district heating. All electricity, additional needed steam and district cooling are purchased from the municipal energy company. The renewable origin of the electricity is guaranteed through certificates known as guarantees of origin, which specify how the electricity is generated. The purchased steam primarily originates from renewable biofuels supplied by Domsjö Fabriker. The district cooling is produced from cold water from the nearby bay. *See table 7.*

There are ongoing efforts to maximise energy efficiency. Energy consumption is measured and monitored on a regular basis and measures are taken to reduce it further.





TABLE 7: FUEL CONSUMPTION BY TYPE AND STEAM PRODUCTION.

ENERGY CONSUMPTION BY TYPE	FY23	FY24	FY25	FY26
Purchased fuels				
Light Diesel Oil (LDO)	8.7 GWh	13.9 GWh	7.0 GWh	7.8 GWh
Sulphur (make-up)	39.3 GWh	33.9 GWh	35.7 GWh	41.3 GWh
Own-produced fuels				
Biogas	39.3 GWh	36.5 GWh	36.0 GWh	39.6 GWh
Black liquor solids	1,160 GWh	1,077 GWh	1,232 GWh	1,324 GWh
Sulphur (internal recirculation)		8.7 GWh	9.2 GWh	5.0 GWh
Total fuel consumption	1,247 GWh	1,170 GWh	1,320 GWh	1,418 GWh
Other purchased energy sources				
Steam	209 GWh	160 GWh	96 GWh	91 GWh
Electricity	228 GWh	218 GWh	221 GWh	231 GWh
District cooling		3.1 GWh	3.4 GWh	3.5 GWh
STEAM PRODUCTION				
P8, Pg & SUP				
Steam produced from black liquor and Sulphur	811 GWh	766 GWh	909 GWh	937 GWh



Materials

Material consumption is monitored and initiatives to optimise material use efficiency are encouraged. In addition to water, the main raw materials are wood, sulphur and sodium hydroxide. The table below shows the quantities of materials used by type for the production of speciality cellulose, lignin and bioethanol during FY26, see *table 8*. All chemicals must be approved before they can enter the mill. Before approval a risk assessment is carried out to examine environmental and health & safety matters.

TABLE 8: MATERIALS USED AT THE MILL BY TYPE.

RAW MATERIAL	QUANTITY FY23	QUANTITY FY24	QUANTITY FY25	QUANTITY FY26
Wood	1.2 M m³sub	1.0 M m³sub	1.0 M m³sub	1.2 Mm³sub
Sulphur	5,789 tonnes	5,174 tonnes	6,183 tonnes	6,742 tonnes
Semi-manufactured goods or parts				
Sulphur dioxide	18,947 tonnes	16,146 tonnes	15,501 tonnes	15,919 tonnes
Sodium hydroxide	31,901 tonnes	27,922 tonnes	29,386 tonnes	30,471 tonnes
Hydrogen peroxide	11,440 tonnes	10,646 tonnes	11,920 tonnes	11,908 tonnes





4. Sustainability responsibilities

Economic responsibilities

Sustainable economic performance is critical for business continuity, maintaining healthy relationships with stakeholders and creating a positive socio-economic impact in the region in which Domsjö Fabriker operates. The economic value generated and distributed by Domsjö Fabriker in FY26 is shown below.

More information regarding financial reporting can be found in the more comprehensive financial report.

TABLE 9: ECONOMIC VALUE GENERATED AND DISTRIBUTED (KSEK).

ECONOMIC VALUE GENERATED	
Revenues	2,647,757
Economic value distributed	
Operating costs	2,330,698
Employee benefits and wages	321,271
Payment to providers of capital	61,686
Payment to governments	5,497
Community investments	0
Economic value distributed	
Economic value generated minus value distributed	-71,395





Social responsibilities

EMPLOYMENT

Various benefits are provided to employees to encourage continued association with the organisation. Examples of benefits to all employees, regardless of full-time or temporary status, include life insurance, retirement-related support, paid holidays (in addition to regular leave), parental leave, marriage leave, bereavement leave, and a wellness contribution. We believe in encouraging health and wellness among our employees.

In FY26, Domsjö Fabriker had a total of 347 permanent and 14 temporary employees. For a breakdown of employees see *table 10*. All employees of Domsjö Fabriker have a labour contract and a collective agreement in accordance with Swedish laws. In addition to its own employees, Domsjö Fabriker engages workers who are not employees, primarily contractors and consultants. These workers are mainly used for maintenance activities,

construction projects, and specialist services and are primarily active on site at the mill. The number of contractors varies during the reporting year, depending on operational needs.

Domsjö have policies for anti-corruption, harassment and discrimination. In FY26 no cases of bribery or corruption were brought to the company’s attention.

Code of Conduct

Domsjö Fabriker expects its Code of Conduct to be respected and followed by all employees. Domsjö Fabriker also requires that business partners respect and follow the Code of Conduct. The Code of Conduct provides an overall framework that is supplemented by detailed rules and guidelines covering specific areas. Employee behaviour and actions must always reflect the interests of Domsjö Fabriker. The basic principle is that every employee should act and behave in a respectful and credible manner.

TABLE 10: NUMBER OF EMPLOYEES BY GENDER AND EMPLOYMENT TYPE.

EMPLOYMENT CATEGORY	WOMEN	MEN	TOTAL
Permanent employees	69	278	347
Temporary employees	7	8	14
Total employees	76	286	362



COMPLIANCE WITH THE CODE OF CONDUCT

Domsjö Fabriker requires all employees to comply with the Code of Conduct. The Management Team as well as all managers have a special responsibility to lead by example. Employees must sound the alarm if they suspect something that is contrary to the Code of Conduct or legislation. If an employee does not act in accordance with the Code of Conduct it leads to corrective measures. If a business partner repeatedly or seriously violates the Code of Conduct, the business partnership is terminated.

Employment and competence

Attracting, recruiting and retaining employees and developing their skills are vital for competitiveness in both the short and long term. Domsjö Fabriker is therefore working a project called "Företagskultur" (Corporate Culture). The vision for this large, multi-year project is to make Domsjö Fabriker the most attractive employer in the north of Sweden.

Domsjö Fabriker needs to ensure that the company has the right competence and can recruit the right competence now and in the future. We are investing in a new recruitment, onboarding and training system. Measures taken include competence supply plans for all blue-collar workers.

Domsjö Fabriker works with local schools to allow young students to explore what the forest value chain offers in terms of sustainable solutions and future work opportunities. Internships are also offered to students from universities and other school forms.

Wellness

As in previous years, access to free exercise activities at the site is offered to all our employees, an opportunity that many use during lunchtimes and evenings. Since January 2024, we have been providing all our employees with a wellness contribution of 3,000 SEK to be used at their chosen health provider. This contribution can be utilised for activities such as gym memberships, massages, or other physical activities aimed at maintaining or improving health

Training and education

Domsjö Fabriker regards its employees as its greatest asset and works closely with employees to address their needs for continuous development. An introductory programme is drawn up for each new employee in consultation with their respective managers. The company also conducts role-specific trainings on health, safety and environmental topics. The goal is that two percent of each employee's working time should be devoted to training.

In FY26, training for permanent employees amounted to 1.54 percent of total man-hours.

Domsjö Fabriker has invested in training for our leaders/managers in leadership skills to improve leadership during the year.

Some of the mandatory trainings for the employees include specific health, environmental and safety related topics. Apart from this, induction training for new employees and specific training for particular job requirements (essential skills for performing duties) are mandatory. Each manager is responsible for ensuring that employees receive sufficient training and the right type of training. To make it easier to manage, HR has created a training matrix and special proficiencies for each position. This system enables training needs to be visualised and training programmes to be coordinated between HR department and managers.





Occupational health and safety

Healthy and safe employees are fundamental to long-term operational efficiency and sustainable performance. Domsjö Fabriker is committed to ensuring that employees feel secure in their workplace and confident that their concerns are taken seriously and addressed at the highest level of the organisation. Close collaboration with employees ensures effective representation in health and safety committees, that all perspectives are heard, and that joint solutions are developed to maintain a safe working environment for all.

Key indicators related to workplace safety are continuously monitored. The Health, Safety, Environment and Quality (HSEQ) department is responsible for overseeing and developing systems that support a safe working environment. All accidents near misses and safety observations are recorded, and their root causes, consequences and preventive measures are systematically investigated. Safety audits are conducted quarterly by the respective departments, and risk analyses and assessments are performed on an ongoing basis. No fatalities or lost time injuries involving employees or contractors were recorded during FY26. Several safety indicators show improvement compared with previous years, as presented in Table 11.

Domsjö Fabriker works in a structured and preventive manner to ensure a safe working environment in compliance with AFS 2023:1 and the company’s process safety management system in accordance with the Seveso Directive (Directive 2012/18/EU). A formal agreement with the trade unions regulates occupational health and safety matters, including working hours, leave for medical appointments, sickness absence, holiday entitlements and contributions to maintaining good order and safety in the workplace.

A part of the systematic work environment management is to continuously review risk sources. During FY26, a large part of the occupational health and safety work has focused on implementing an enhanced permit-to-work process

Public relationship events

SPONSORSHIP

Domsjö Fabriker is a proud sponsor of MoDo Hockey men’s and women’s ice hockey teams and the seats in Hägglunds Arena are frequently used for corporate hospitality. Occasionally seats are available, and the tickets are raffled amongst interested employees. Winners can also bring one family member to the game.

A number of smaller local sports associations, particularly those that involve employees, are also sponsored. No individual sponsorships are given, but sponsorship is given to a wide variety of associations and teams as well as some cultural sponsoring.

TABLE 11: SAFETY AT WORK.

INDICATOR	QUANTITY FY23	QUANTITY FY24	QUANTITY FY25	QUANTITY FY26
LTIFR (lost time incidents frequency rate) *	7.1	12.3	10.7	0
Lost time injuries	5	7	6	0
Lost days	19.5	28	33	0
Safety indicator**	11.0	10.2	13.6	27.8

*Calculated using the following formula: (1,000,000 / number of hours worked in 12 months) x number of accidents in 12 months.

**Safety indicator = (near misses + risk observations) / (lost time injuries + restricted work cases + medical treatments + first aids). The higher the better.



5. Stakeholder Engagement

“Gain knowledge to understand how fast ‘External factors’ will change and when disruption will occur as we approach a two-degree world.”²

Our approach to stakeholder engagement:

“Together with our stakeholders, we want to make a difference. We want to improve existing operations and create new application fields for the growing forest, thus contributing to reduced environmental impact, increased growth and more job opportunities. The products we produce replace all products that would otherwise be produced by fossil oil. We can refine the renewable forest raw materials into valuable products while also reducing the negative impact that fossil oil has on the environment and climate.”³

Aditya Birla Group has identified stakeholder engagement as one of the key aspects of its sustainability strategy. The Group has a stakeholder engagement policy and a technical standard to incorporate stakeholder engagement into governance. The aim is to develop a relationship of trust, communication, transparency and common interest with key stakeholders. During management meetings, the expectations and requirements of our stakeholders are discussed.

² Source: <http://sustainability.adityabirla.com>

³ Source: <http://www.domsjo.adityabirla.com>





Overview of relationships with key stakeholders:

CUSTOMERS

Domsjö Fabriker works closely with customers to identify their needs (short-term and long-term) through customer surveys and efficient feedback. The Technology department drives innovation by encouraging, capturing and implementing ideas for new products. Product development often takes place in collaboration with existing and potential customers, as well as in networks with relevant companies, institutes and universities.

Customers are involved in several ways, including one-to-one meetings, customer surveys, customer audits at our mill, product development initiatives, and a regular dialogue on product delivery and logistics.

In order to build sustainable businesses Domsjö Fabriker has an anti-corruption policy that applies to personnel who represent Domsjö Fabriker in contact with different stakeholders.

The Sustainable Apparel Coalition has developed the Higg Index as a suite of self-assessment tools for companies in the value chain for textile products, for identification of environmental and social sustainability hot spots, and improvement opportunities. The Higg Index is a starting point for engagement, education and collaboration among stakeholders in advance of more rigorous assessment efforts. Domsjö Fabriker applies the Higg Index to its operations and collaborates with customers in the textile and apparel industry, making use of this tool.

OWNERS, BOARD OF DIRECTORS, LOCAL MANAGEMENT

The owner's requirements and expectations are that the company should be a safe place to work, lead the way in sustainability and efficiency, follow the established financial budget, and operate according to the company's values: Integrity, Commitment, Passion, Seamlessness and Speed.

STATE, AUTHORITIES, INSTITUTES, AND LOCAL COMMUNITY

Domsjö Fabriker is located in Örnsköldsvik, Sweden. The local community is engaged through:

- Transparent communication through the media to inform local communities about any changes in the business – anything from temporary noise to new production lines and products.
- Consultations with residents whenever a change in the business requires a notification according to the Seveso Directive or a permit under the Environmental Code.
- Support programmes for schools.
- Process for dealing with complaints from local bodies.
- Meetings with municipal administration and other authority bodies.
- Engagement in the local chambers of commerce.
- Engagement in the Örnsköldsvik Industry Group in cooperation with other local industry-related companies.
- Engagement in the Swedish Forest Industries association.
- Engagement in SIS and Bioinnovation during the development of new and relevant standards and guidelines.
- Cooperative relation with Företagsutbildarna (business trainers).

Domsjö Fabriker strictly adheres to Swedish laws and maintains a healthy relationship with government authorities through the following means:

- Yearly visits by government authorities to review our environmental, health and safety performance and compliance with agreed conditions.
- Continuous dialogue with authorities regarding operations.
- Publish reports and statistics regarding the performance status of the plant to relevant authorities.

During FY19 Domsjö Fabriker received a new environmental permit for its operations. Also during FY26, considerable resources have been allocated to different investigations that were needed to fulfil the permit.



LOCAL CITIZENS

Local citizens are important when it comes to external feedback, mostly on environmental issues such as odour and noise. When there is a complaint, the company always tries to investigate, remediate if necessary and communicate the results back to the person who made the complaint. During FY26 there were some complaints from local citizens regarding noise and odour. These cases are dealt with within the investigations in connection with the new environmental permit.

EXISTING AND FUTURE EMPLOYEES

Employees are the company's greatest asset. Domsjö Fabriker strives to create a working environment where employees are passionate about coming to work each day. Consistent and long-term investments are made in the enhancement of skills and career development.

Domsjö Fabriker engages with its employees in various ways, such as employee satisfaction surveys, Working Environment Committee meetings where employees are represented by unions, family days, health activities, art club, vacation foundation and staff foundation.

Young people are potential future colleagues. It is therefore important to have active contacts with various schools. Interns from both upper secondary schools and universities are welcome and are guided by trained mentors.

Domsjö Fabriker actively collaborates with KomTek in Örnsköldsvik to promote interest in technology, innovation, and entrepreneurship among children and young people. Through contributions of materials, technical expertise, and employee engagement, we support efforts to make real industrial technology accessible and inspiring for students across a wide range of ages.

KomTek is grounded in practical, exploratory learning, encouraging students to experiment, create, and engage hands-on with technological concepts – an approach that aligns closely with our own commitment to sustainability and continuous development. Together, we adapt industrial technical

solutions so that they can be understood by younger audiences, while simultaneously demonstrating how modern and innovative technologies are applied within our operations. Through this partnership, students gain insight into future career opportunities, while we, as a company, contribute to strengthening local interest in technology and inspiring the next generation of technicians, innovators, and potential employees.





BANKS AND BUSINESS PARTNERS

General requirements regarding financial information, transparency and openness are fulfilled.

SUPPLIERS

Domsjö Fabriker demands high-quality information (right type at the right time), payment according to agreements, transparency and openness and a safe working place. There are increasing requirements regarding waste handling and personal protection equipment.

PARTNERS IN INNOVATION AND DEVELOPMENT

Domsjö works closely with institutes, universities, relevant companies and Birla central R&D to push our products towards even more sustainable markets

NEIGHBOURING INDUSTRIES

Collaboration with neighbouring industries and working together towards common goals are important. Contacts with industrial neighbours are conducted in association meetings that discuss safety, the environment, logistics and community emergency services issues and jointly held emergency exercises.

Domsjö Fabriker is part of an energy cluster, together with neighbouring industries. The cluster safeguards stable production and takes advantage of every member's ability to produce and consume different types of renewable energy. Even the local community is supported with electricity and district heating.

Future proofing



*"Modify our strategic business plan to include additional mitigation and adaption to changes in the 'External factors'."*⁴

RISKS AND OPPORTUNITIES FOR OUR BUSINESS

Future proofing is the process of anticipating strengths, weaknesses, opportunities and threats that might become more significant in the future, as well as developing systems and processes to address these in advance. Future proofing is a key pillar of the sustainability strategy. The SWOT analysis has also been updated by mill management in FY26 to facilitate target setting and focus areas for the mill to start building a better tomorrow today.

⁴ Source: <http://sustainability.adityabirla.com>



GRI Content Index

GRI STANDARD	DISCLOSURE	DESCRIPTION	LOCATION
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	2-3	Reporting period, frequency and contact point	3
	2-4	Restatements of information	3
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GRI 2: General Disclosures 2021	2-6	Activities, value chain and other business relationships	12–13, 16–19
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	2-17	Collective knowledge of the highest governance body	5
	2-18	Evaluation of the performance of the highest governance body	5

Statement of use	Domsjö Fabriker AB has reported the information cited in this GRI content index for the period 1st of April 2025 to 31st of March 2026 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021



GRI Content Index

GRI STANDARD	DISCLOSURE	DESCRIPTION	LOCATION
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1. Making more
from the tree

2. Assessment of
material topics

3. Environmental
responsibilities

4. Sustainability
responsibilities

5. Stakeholder
Engagement



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